

Submitted But not Entered.



Christopher M. Alston
U.S. Bankruptcy Judge

(Dated as of Entered on Docket date above)

ORDER NOT ENTERED: Counsel for the moving party and the debtor shall appear by phone on the Court's September 18, 2020 motion calendar at 9:30 a.m. to discuss certain provisions of the order.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON, AT SEATTLE

In re:

V.S. INVESTMENT ASSOC, LLC,

Debtor.

No. 20-11541-CMA

**STIPULATED ORDER GRANTING
BRMK LENDING, LLC'S MOTION
TO DISMISS OR FOR RELIEF FROM
STAY TO PROCEED WITH
RECEIVERSHIP**

THIS MATTER was brought before the Court on the Motion of BRMK Lending, LLC ("BRMK"), a holder and beneficiary of a deed of trust against real property owned by V.S. Investment Assoc, LLC ("V.S. Investment" or the "Debtor").

BRMK's Motion sought an Order Dismissing the Bankruptcy or Granting Relief from Stay to allow the Receivership over property of the estate to move forward (the "Motion"). BRMK has demonstrated that grounds exist to dismiss the bankruptcy and has also met the requirements for relief from the automatic stay under 11 U.S.C. § 362(d) and for abandonment under 11 U.S.C. § 554(b). The Debtor has agreed to entry of an Order granting BRMK's Motion upon the conditions outlined below. The Court has also considered the records and files herein, including BRMK's Motion, Declarations of Stuart Heath and Stephanie Jenkins filed in support thereof; and the Objection to BRMK's Motion to Dismiss and for Relief from Stay Re: Receivership. The

**ORDER GRANTING HERITAGE BANK'S MOTION TO
PROCEED WITH RECEIVERSHIP - 1**

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1 Court FINDS that there is good cause for the relief requested, that the Motion was properly
2 noticed and served, and that the record is complete as to BRMK's Motion. Now, therefore, the
3 Court hereby GRANTS BRMK's Motion based on the following terms:

- 4 1. BRMK's motion for relief from stay as to the College Street Property (described below) is
5 hereby granted effective September 30, 2020, except as to any portion of the College Street
6 Property that is under contract for sale as of September 30, 2020.
- 7 2. The portion(s) of the College Street Property that is under contract for sale by September
8 30, 2020, must close within sixty (60) days from the date of mutual acceptance, but in no
9 case later than November 30, 2020. In any event, relief from stay is effective as to all of
10 the College Street Property no later than November 30, 2020.
- 11 3. Any sales of any portion of the College Street Property shall be without satisfaction of the
12 underlying debt unless such debt is paid in full from closing and all BRMK's loan
13 documents shall remain in full force and effect.
- 14 4. Any deficiencies in the amount owed to BRMK after the sale or foreclosure of the College
15 Street Property will remain subject to the personal guaranties and secured by BRMK's deed
16 of trust on real property located at 4415 Priest Point Drive NW, Marysville, Washington,
17 98271 (the "Priest Point Property"). Payment on the deficiencies following the sale or
18 foreclosure will need to be paid within twelve (12) months of the last sale or foreclosure of
19 the College Street Property. During the repayment period, BRMK shall grant a
20 moratorium from collecting on the personal guaranties and its deed of trust on the Priest
21 Point Property unless allowed by further Court Order.

22 IT IS HEREBY ORDERED that following the conclusion of the dates referenced above
23 for the sale and closing of the College Street Property, BRMK may proceed with receivership of
24 all the Property securing its liens in King County Superior Court and that pursuant to 11 U.S.C. §§
25 362(a) and 362(d), the automatic stay, to the extent it applied to the College Street Property, is
26 terminated as to BRMK, so that BRMK may pursue receivership or other state law remedies, to
enforce its security interest in the Property and/or as to enforcement of the loan obligations

1 secured by two Deeds of Trust that is the subject of BRMK's Motion, in particular against the
2 College Street Property described as follows:

3 Lots 1 and 2, Block "B", CITY GARDEN, according to the plat thereof recorded in
4 Volume 10 of Plats, page 14, records of King County, Washington;

5 EXCEPT the Westerly 20 feet of Lots 1 and 2 (measured along the North line of Lot
6 1 and the South line of Lot 2);

7 AND EXCEPT the South 10 feet of Lot 2, (measured along the East line of said Lot
8 2).

9 SITUATE in the County of King, State of Washington.

10 PHYSICAL ADDRESS: 2463, 2465, 2467, and 2469 South College Street, Seattle,
11 WA 98144

12 ASSESSOR'S TAX PARCEL NO.: 159460-0090-08

13 And it is further

14 ORDERED that, as the Debtor is a necessary party, BRMK may, if necessary, subpoena
15 Debtor's attendance and documents for deposition, and subpoena Debtor's testimony for trial, if
16 any, in the receivership and/or any judicial foreclosure action, provided, however, that no *in*
17 *personam* relief is sought or obtained against the Debtor by BRMK. And it is further

18 ORDERED that BRMK may, at its option, provide pleadings and notices to Debtor in
19 relation to or in connection with a receivership as to the Property or foreclosure of its Deed of
20 Trust against the Property; and BRMK may, at its option, offer, provide, and enter into any
21 potential forbearance agreement, loan modification, refinance agreement, or other loan
22 workout/loss mitigation agreement with Debtor and may contact the Debtor via telephone or
23 written correspondence to offer such an agreement, which shall be non-recourse unless included
24 in a reaffirmation agreement. It is further

25 ORDERED that upon receiving relief from stay as to any portion of the College Street
26 Property as outlined above, pursuant to 11 U.S.C. § 554(b), the College Street Property is hereby

1 abandoned. And it is further

2 ORDERED that that the fourteen-day time frame set forth in FRBP 4001(a)(3) shall be,
3 and hereby is waived and that the order shall be in full force and effect upon signature.

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5 /// End of Order ///

6 Presented by:

7 HACKER & WILLIG, INC., P.S.

8 /s/ Arnold M. Willig

9 Arnold M. Willig, WSBA #20104

Elizabeth H. Shea, WSBA #27189

10 Charles L. Butler, III, WSBA #36893

Attorneys for Petitioner

11 BRMK Lending, LLC

12
13 Stipulated to and Approved by:

14 BOUNTIFUL LAW, PLLC

15
16 /s/ Brad Puffpaff

Brad Puffpaff, WSBA #46434

17 Attorneys for Debtor